

**MORTGAGOR'S AFFIDAVIT AND CERTIFICATION
SINGLE FAMILY BOND PROGRAM**

Habitat for Humanity Loan Program

MORTGAGE LOAN INTEREST RATE ____%

ISSUER: Montana Board of Housing

MORTGAGOR(S) _____

PROPERTY ADDRESS _____

LEGAL DESCRIPTION: _____

___ TARGETED AREA

___ NON-TARGETED AREA

The undersigned (jointly and severally, the "Mortgagor"), as applicant for a Mortgage Loan, or as applicant to assume a Mortgage Loan provided by the above referenced Program by the Montana Board of Housing (the "Board"), and as purchaser of a Residence which is the subject of such Mortgage Loan, being first duly sworn (or affirmed) under oath, hereby states and certifies that:

1. I possess the legal capacity to incur the obligations of the Mortgage Loan.
2. I shall use the Residence to be purchased as my principal residence promptly and in no event later than sixty (60) days following the Mortgage Loan closing, and thereafter to maintain the property as my principal residence throughout the term of the Loan. I do not intend to, or have not entered into an arrangement to rent, sell, assign or transfer the Residence. I will not use the Residence in a trade or business which qualifies me to deduct any portion of the cost of the home as a home business expense on my federal tax return, and in any event will not use the Residence primarily in a trade or business. (A residence more than 15% of the total area of which is reasonably expected to be used in a trade or business, including child care services on a regular basis for compensation, is "primarily for purposes of a trade or business.") I will not use the Residence as an investment property or a recreational home. The land purchased with the Residence does not exceed the acreage limitation of the Small Tract Financing Act and the value of the land financed is not to exceed 35% of the loan and will not, other than incidentally, provide a source of income.
3. The information included in the residential loan application is true, accurate and complete. No part of the cash down payment, or closing costs has been borrowed from any source other than disclosed upon this application. Mortgagor(s) name(s), the property address and legal description for the mortgage applied for are all true and correct.
4. I understand that if there is a continuous period of at least one year during which the Residence is not the principal residence of at least one of the Mortgagors, then under Section 150(b) of the Internal Revenue Code of 1986, as amended, (the "Code"), no deduction is allowed in computing taxable income for interest that accrued on the Loan on or after the date such one-year period began.
5. I understand that my Mortgage Loan has been financed with the proceeds of tax-exempt qualified mortgage bonds. As a Mortgagor I may receive benefits from this financing such as a savings in mortgage loan interest costs. As a result, pursuant to Section 143(m) of the Code, I may, at the time of resale of a Residence financed by a Mortgage Loan, be subject to a special "recapture tax" for federal income tax purposes. I understand that I should consult a tax advisor at the time of resale of the residence to determine the amount, if any, of such "recapture tax." I hereby acknowledge receipt of the "Notice to Mortgagor of Maximum Recapture Tax and of Method to Compute Recapture Tax on Sale of Home" from the Participant.

6. The family income of all Mortgagors and of all adult persons who reside or intend to reside with such mortgagor in the same Residence (other than persons under 18 years of age), is \$_____. There are _____ members of our family that will occupy the Residence. All information is true and complete.

7. I understand that under the above referenced Program, all or a part of the Mortgage Loan proceeds may be used to pay or replace a short term construction loan or temporary initial financing on the residence to be financed where the term of such interim financing is 24 months or less. Complete and accurate copies of all documents have been provided to the Participant pertaining to the interim financing (if applicable) of the Residence to be financed under the Program. I have not had a mortgage (whether paid off or not) on the Residence at any time prior to the execution of the mortgage (other than such construction or temporary loan).

8. I understand that for purposes of the following, examples of interests which constitute "Present Ownership" interests are as follows: (i) a fee simple interest, (ii) a joint tenancy; a tenancy in common, or tenancy by the entirety; (iii) the interest of a tenant-shareholder in a cooperative; (iv) a life estate; (v) a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although a legal title is not transferred until some later time); and (vi) an interest held in trust for the Mortgagor (whether or not created by the Mortgagor) that would constitute a present ownership interest if held directly by the Mortgagor.

Also for the purposes of the following, I understand that examples of interests which DO NOT constitute "Present Ownership" interests are as follows: (i) a remainder interest, (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest in a principal residence; (iv) the interest that a purchaser of a residence acquires on the execution of a purchase contract; and (v) an interest in other than a principal residence during the previous three years.

Select (a) or (b) as appropriate:

___ (a) Other than allowed as a consequence of financing in effect as set forth in Section 7 above at no time during the three-year period prior to the closing of this Mortgage Loan have I had any present ownership interest in my principal residence. During the three-year period prior to the closing of this Mortgage Loan I have lived as a tenant, lived with members of my immediate family, or under some other arrangement without having a "Present Ownership" interest in the principal residence in which I lived.

___ (b) During the three-year period prior to the closing of this Mortgage Loan I have had a "Present Ownership" interest in my principal residence.

9. The Residence I am purchasing (___) IS or (___) IS NOT located in a Targeted Area. If the Residence being purchased with this Mortgage Loan IS NOT located in the Targeted Area (as indicated above) I am required and have attached hereto copies of my signed Federal Income Tax Returns for the three previous years or as otherwise required unless I did not and was not required to file such a return in accordance with Section 6012 of the Internal Revenue Code. Full disclosure and documentation of such has also been provided to the Mortgage Lender if applicable. The years for which I was not required to file Federal Income Tax Returns were as follows: _____. Indicate reason not required to file returns, if applicable: _____.

If the Mortgage Loan is closed between January 1 and April 15 of this calendar year, I (we) understand that a complete copy of my (our) federal income tax return for the previous year must be provided to Montana Board of Housing through the Participant as soon as reasonably possible, or by April 15, whichever is earlier.

10. The "Acquisition Cost" of the Residence is \$_____. I hereby certify the information used in computing Acquisition Cost to be true, accurate and complete. Attached hereto is a complete and accurate copy of the buy/sell agreement (purchase or sales contract) executed by the Mortgagor(s) and seller(s). There exists no other agreement, written or oral, between the Mortgagor and seller.

Except for Habitat subordinate loans as disclosed to the Board, I have provided all of the funds for the down payment for purchase of this property from my own funds, or those fully allowed and fully disclosed in my financial statement and not directly or indirectly in any part from funds or collateral provided, given or financed directly or indirectly from, by or through the seller or any other party acting upon request of seller or myself.

11. Neither I or any related person, as defined in Section 147(a)(2) of the Code shall, pursuant to an arrangement, formal or informal, purchase bonds the proceeds of which were used to provide financing for the Mortgage Loan in an amount related to the amount of my Mortgage Loan.

12. I understand I am not allowed to sell my home to any person and permit such person to assume my obligations under the mortgage and related note (with or without release of my liability) unless such person (i) satisfies all requirements of this affidavit and so certifies as such; (ii) meets all assumption requirements of FHA, PMI, RD or VA (as applicable); and (iii) has obtained prior written consent of the Board and Participant.

13. I have read the Note, Mortgage and Addendum, and understand that the failure to meet one or more of the requirements, or misrepresentation by me as to one or more of the above stated requirements, may result in acceleration of the Mortgage Note resulting in a demand for immediate payment of the entire balance owing on the Mortgage Loan.

14. I certify that () I AM or () I AM NOT an employee, officer, director or member of the Board, of the Trustee or of the Participant or other State Official, acting on behalf of the Board, through which I am making the Mortgage Loan Application, and that () I AM or () I AM NOT related by blood, marriage or adoption to any such persons. My position and/or relationship (if applicable) is _____.

15. I am not presently obligated on a mortgage loan financed by a Board Single Family Bond Program.

16. I understand that further investigation or verification of the information provided may be required, and that all information provided, including my tax returns, is hereby deemed to be public information and do hereby release the Participant, the Board, the Trustee (as applicable) and their respective trustees, officers, directors, employees, attorneys and agents from any claim that I may now have or in the future based upon, arising out of or related to any investigation or verification which the Board, its trustees, officers, directors, employees, attorneys or agents may undertake.

17. In some cases, the Board may combine money from more than one series of bonds to make a single mortgage loan. In such cases, to comply with the requirements of the Internal Revenue Service, the Board allocates separate rates of interest for the separate portions of the mortgage loan. For the convenience of you as the borrower/mortgagor, the Board uses a single mortgage/deed of trust note that states a single blended interest rate that is the basis for the monthly mortgage payments. Effectively, the Board is making a loan from each of its series of bonds in such a case, but aggregating the two in a single mortgage/deed of trust note. The Board reserves the right in the future to change the series of bonds from which a mortgage/deed of trust note is funded. However, in no way will any such change of funding source affect the monthly payments, terms, rights or obligations of the borrower/mortgagor under the mortgage note. As borrower/mortgagor, you may request from the Board at any time information about the sources of funding for your mortgage/deed of trust note, but only upon payment of any reasonable costs the Board incurs in providing such information.

18. I hereby state under oath that each of the statements and the information on the residential loan application and in this Mortgagor's Affidavit and Certification is material and is required to obtain a Mortgage Loan and declare under penalty of perjury, fraud and misrepresentation, which are felony offenses, that the above statements are true, accurate and complete. I understand that, if I have made any material misstatements in the foregoing representations or omitted to state any of the information requested, the following may occur:

(a) I may be fined not more than \$1,000,000 or imprisoned not more than thirty (30) years, or both, pursuant to Section 1014 of Title 18 of the United States Code.

(b) The office of the district attorney may be contacted for investigation regarding misrepresentation and fraud.

(c) The outstanding principal balance of the Mortgage Loan may be declared immediately due and payable together with accrued interest and foreclosure costs (if foreclosure is necessary because payment in full is not made immediately).

Mortgagor's Signature Date

Mortgagor's Signature Date

Mortgagor's Printed Name

Mortgagor's Printed Name

Mortgagor's Social Security Number

Mortgagor's Social Security Number

STATE OF MONTANA]
] ss.
COUNTY OF _____]

On this _____ day of 201__, before me, a notary public for the State of Montana, personally appeared _____, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first-above written.

[NOTARIAL SEAL]

(Print Name)
Notary Public for the State of Montana
Residing at: _____
My Commission expires: _____

I have explained the contents of this Affidavit to each of the Mortgagors whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested.

Signature

Name and Title

Date

Mortgage Lender